

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

TOWNSHIP OF GROVELAND

REPORT ON AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2004

## **TOWNSHIP OF GROVELAND**

### **TOWNSHIP OFFICIALS**

Supervisor - Robert DePalma  
Treasurer - Shirley Scramlin  
Clerk - Pamela Mazich

### **TOWNSHIP BOARD**

David Ax  
Robert DePalma  
Diane Howell  
Pamela Mazich  
Shirley Scramlin

### **TOWNSHIP ATTORNEY**

Williams, Williams, Ruby & Plunkett, P.C.

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

#### INDEPENDENT AUDITORS' REPORT

#### GENERAL PURPOSE FINANCIAL STATEMENTS

##### COMBINED FINANCIAL STATEMENTS

All Fund Types and Account Groups - Combined Balance Sheet	8
All Governmental Fund Types - Combined Statement of Revenues, Expenditures and Changes in Fund Balances	9
General and Special Revenue Fund Types - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	10

NOTES TO FINANCIAL STATEMENTS	12
-------------------------------	----

#### SUPPLEMENTARY INFORMATION

##### COMBINING STATEMENTS

All Special Revenue Funds - Combining Balance Sheet	23
All Trust and Agency Funds - Combining Balance Sheet	24
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	25

#### INDIVIDUAL FUNDS

##### GENERAL FUND

Balance Sheet	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	29
Statement of Revenues - Budget and Actual	30
Statement of Expenditures - Budget and Actual	31

##### BUILDING DEPARTMENT FUND

Balance Sheet	35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	36

##### FIRE PROTECTION FUND

Balance Sheet	38
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	39
Statement of Expenditures - Budget and Actual	40

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
FIRE IMPROVEMENT FUND	
Balance Sheet	42
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	43
GAS LINE DEBT SERVICE FUND	
Balance Sheet	45
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	46
CURRENT TAX COLLECTION FUND	
Balance Sheet	48
TRUST AND AGENCY FUND	
Balance Sheet	50

June 25, 2004

Board of Trustees  
Township of Groveland  
4695 Grange Hall Road  
Holly, Michigan 48442

### INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying general purpose financial statements of the Township of Groveland as of and for the year ended March 31, 2004, as listed in the table of contents on pages 8 - 20. These general purpose financial statements are the responsibility of the township board. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Groveland as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Groveland. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED  
FINANCIAL  
STATEMENTS



TOWNSHIP OF GROVELAND  
ALL FUND TYPES AND ACCOUNT GROUPS  
COMBINED BALANCE SHEET  
MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,696,990	\$ 763,940	\$ 689,030
Receivables			
Taxes	27,401	95,403	7,911
State shared revenues	65,826		
Special assessment			691,971
Other	46,940		
Due from other funds	76,918	2,837	2,397
Property and equipment			
Amount available in debt service fund			
Amount to be provided for debt retirement			
Total assets	<u>\$ 1,914,075</u>	<u>\$ 862,180</u>	<u>\$ 1,391,309</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable	\$ 9,647	\$ 13,227	\$ 131,127
Due to other funds		48,586	
Performance deposits			
Bonds payable			
Deferred revenues			691,971
Total liabilities	<u>9,647</u>	<u>61,813</u>	<u>823,098</u>
Fund Balance			
Investment in general fixed assets			
Fund balance			
Reserved for debt service			568,211
Unreserved	<u>1,904,428</u>	<u>800,367</u>	
Total fund balance	<u>1,904,428</u>	<u>800,367</u>	<u>568,211</u>
Total liabilities and fund balance	<u>\$ 1,914,075</u>	<u>\$ 862,180</u>	<u>\$ 1,391,309</u>

The accompanying notes are an integral part of these financial statements

FIDUCIARY FUND TYPE Agency	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	General Fixed Assets	General Long-Term Debt	3/31/04	3/31/03
\$ 64,479	\$	\$	\$ 3,214,439	\$ 2,899,574
			130,715	95,630
			65,826	68,832
			691,971	808,684
			46,940	7,211
			82,152	55,358
	2,807,809		2,807,809	2,683,659
		689,030	689,030	552,962
		439,203	439,203	648,455
<u>\$ 64,479</u>	<u>\$ 2,807,809</u>	<u>\$ 1,128,233</u>	<u>\$ 8,168,085</u>	<u>\$ 7,820,365</u>
\$	\$	\$	\$ 154,001	\$ 170,683
33,566			82,152	55,358
30,913			30,913	60,917
		1,128,233	1,128,233	1,201,417
			691,971	808,684
<u>64,479</u>		<u>1,128,233</u>	<u>2,087,270</u>	<u>2,297,059</u>
	2,807,809		2,807,809	2,683,659
			568,211	432,718
			<u>2,704,795</u>	<u>2,406,929</u>
	2,807,809		<u>6,080,815</u>	<u>5,523,306</u>
<u>\$ 64,479</u>	<u>\$ 2,807,809</u>	<u>\$ 1,128,233</u>	<u>\$ 8,168,085</u>	<u>\$ 7,820,365</u>

TOWNSHIP OF GROVELAND  
ALL GOVERNMENTAL FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
REVENUES			
Property taxes and special assessments	\$ 211,926	\$ 731,182	\$ 181,686
Licenses and permits	185,633	102,311	
State shared revenues	440,562		
Charges for services	78,672	252,308	
Connection fees			105,500
Interest	15,869	7,980	5,219
Rental income		33,375	
Miscellaneous	<u>36,722</u>	<u>30,439</u>	
Total revenues	<u>969,384</u>	<u>1,157,595</u>	<u>292,405</u>
EXPENDITURES			
Board/elected officials departments	193,988		
General operations	394,823		
Public safety	3,425	1,060,110	
Building department		88,993	
Roads	87,774		
Debt service			<u>156,912</u>
Total expenditures	<u>680,010</u>	<u>1,149,103</u>	<u>156,912</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>289,374</u>	<u>8,492</u>	<u>135,493</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in		128,698	
Operating transfer (out)		<u>(128,698)</u>	
Total other financing sources (uses)			
Excess (deficiency) of revenues over expenditures after other financing sources (uses)	289,374	8,492	135,493
FUND BALANCE, APRIL 1, 2003	<u>1,615,054</u>	<u>791,875</u>	<u>432,718</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 1,904,428</u>	<u>\$ 800,367</u>	<u>\$ 568,211</u>

The accompanying notes are an integral part of these financial statements

TOTALS	
(MEMORANDUM ONLY)	
<u>3/31/04</u>	<u>3/31/03</u>
\$ 1,124,794	\$ 1,066,152
287,944	310,104
440,562	474,380
330,980	269,870
105,500	43,400
29,068	37,859
33,375	
<u>67,161</u>	<u>70,197</u>
<u>2,419,384</u>	<u>2,271,962</u>
193,988	187,668
394,823	470,859
1,063,535	908,526
88,993	82,672
87,774	99,013
<u>156,912</u>	<u>135,086</u>
<u>1,986,025</u>	<u>1,883,824</u>
<u>433,359</u>	<u>388,138</u>
128,698	112,047
<u>(128,698)</u>	<u>(112,047)</u>
<u>433,359</u>	<u>388,138</u>
<u>2,839,647</u>	<u>2,451,509</u>
<u>\$ 3,273,006</u>	<u>\$ 2,839,647</u>

TOWNSHIP OF GROVELAND  
GENERAL AND SPECIAL REVENUE FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes and special assessments	\$	\$ 211,926	\$
Licenses and permits		185,633	
State shared revenues		440,562	
Charges for services		78,672	
Interest		15,869	
Rental income			
Miscellaneous		<u>36,722</u>	
Total revenues	<u>846,926</u>	<u>969,384</u>	<u>122,458</u>
EXPENDITURES			
Board/elected officials departments		193,988	
General operations		394,823	
Building department			
Public safety		3,425	
Roads and streets		<u>87,774</u>	
Total expenditures	<u>846,418</u>	<u>680,010</u>	<u>166,408</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>508</u>	<u>289,374</u>	<u>288,866</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in			
Operating transfer (out)			
Total other financing sources (uses)			
Excess (deficiency) of revenues over expenditures after other financing sources (uses)	508	289,374	288,866
FUND BALANCE, APRIL 1, 2003	<u>1,615,054</u>	<u>1,615,054</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 1,615,562</u>	<u>\$ 1,904,428</u>	<u>\$ 288,866</u>

The accompanying notes are an integral part of these financial statements

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$	\$ 731,182	\$	\$	\$ 943,108	\$
	102,311			287,944	
				440,562	
	252,308			330,980	
	7,980			23,849	
	33,375			33,375	
	30,439			67,161	
<u>1,008,200</u>	<u>1,157,595</u>	<u>149,395</u>	<u>1,855,126</u>	<u>2,126,979</u>	<u>271,853</u>
				193,988	
				394,823	
	88,993			88,993	
	1,060,110			1,063,535	
				87,774	
<u>1,004,648</u>	<u>1,149,103</u>	<u>(144,455)</u>	<u>1,851,066</u>	<u>1,829,113</u>	<u>21,953</u>
<u>3,552</u>	<u>8,492</u>	<u>4,940</u>	<u>4,060</u>	<u>297,866</u>	<u>293,806</u>
152,902	128,698	(24,204)	152,902	128,698	(24,204)
	(128,698)	(128,698)		(128,698)	(128,698)
<u>152,902</u>		<u>(152,902)</u>	<u>152,902</u>		<u>(152,902)</u>
156,454	8,492	(147,962)	156,962	297,866	140,904
<u>791,875</u>	<u>791,875</u>		<u>2,406,929</u>	<u>2,406,929</u>	
<u>\$ 948,329</u>	<u>\$ 800,367</u>	<u>\$ (147,962)</u>	<u>\$ 2,563,891</u>	<u>\$ 2,704,795</u>	<u>\$ 140,904</u>

NOTES  
TO  
FINANCIAL  
STATEMENTS

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Groveland conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The transactions of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses/expenditures. Funds are ordered into two major categories: governmental and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The funds and account groups used by the Township are as follows:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which general governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The following are the Township's Governmental Fund types:

General Fund - The General Fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds - These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. The Township maintains three Special Revenue Funds: Building Department Fund, Fire Protection Fund and the Fire Improvement Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from special assessments levied by the Township. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures. The Township maintains one debt service fund for the bond obligations of the gas utilities.

Capital Project Fund - These funds for financial resources segregated for the acquisition of major capital facilities. The Township did not have any capital project funds as of March 31, 2004.



TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FIDUCIARY FUND TYPES

Fiduciary Fund types are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. There are two Fiduciary Fund type funds as follows:

1. Current Tax Collection Fund - Accounts for the collection and disbursement of the annual tax levies.
2. Trust and Agency Fund - Accounts for the custodianship of various performance and escrow deposits made by residents of and/or companies doing business in the Township of Groveland.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Township's general fixed assets and general long-term debt obligations. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

1. General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Township and are recorded as expenditures at the time of purchase. They are subsequently recorded for control purposes in the General Fixed Assets Account Group.
2. General Long-Term Debt Account Group - This account group is established to account for all of the Township's long-term debt that will be financed from general governmental resources.

B. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Governmental Fund Types (General, Special Revenue, Debt Service, and Capital Project), use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year, and accrued vacation and sick leave which is recorded when payable from current available financial resources.

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

C. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township Board. The budget is approved by activity, rather than line by line. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made but not expended by year end will lapse with the fiscal year end.

D. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. PROPERTY TAXES

The township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the township for the 2003 levy was assessed at an adjusted taxable value of \$208,909,087. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General Township	1.0
Fire	<u>3.5</u>
Total millage	<u>4.5</u>

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

H. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of the Township of Groveland as the primary government have been included in the financial statements.

The following potential component unit has been evaluated under the criteria established by GASB statement number 39 and determined not to be a component unit based on financial independence and accountability.

Brandon - Groveland - Ortonville Recreation Authority - The Township of Groveland is involved and monetarily supports this authority. The recreation authority is fiscally independent from the township. The authority is a component unit of the Charter Township of Brandon.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund ReceivableFund</u>	<u>Payable</u>	<u>Interfund</u>
General fund	\$ 19,772	Fire fund	\$ 19,772
General fund	20,000	Fire improvement fund	20,000
General fund	8,814	Building department fund	8,814
General fund	22,050	Current tax collection fund	22,050
General fund	6,282	Trust and agency fund	6,282
Fire fund	2,837	Current tax collection fund	2,837
Gas line debt service fund	<u>2,397</u>	Current tax collection fund	<u>2,397</u>
	<u>\$ 82,152</u>		<u>\$ 82,152</u>

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 4 - EMPLOYEE RETIREMENT PLAN

The Township participates in the Manulife Defined Contribution Pension Plan Group No. 89571 for Michigan Township employees. This is a single-employer plan. Substantially all full-time employees are included in the plan. Six months of service is required to determine eligibility. The Township contributes 11% of participant's compensation, while an employee may contribute 1% to 10% of compensation. Annual compensation used to determine the current year contribution is as of April 1, preceding the year. Contribution information is as follows:

ACCOUNT VALUE AT MARCH 31, 2003	\$ 322,612
TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	49,668
TOTAL CURRENT YEAR EMPLOYEE CONTRIBUTIONS	466
TOTAL CURRENT YEAR PLAN EARNINGS (NET OF FEES)	<u>119,797</u>
ACCOUNT VALUE AT MARCH 31, 2004	<u><u>\$ 492,543</u></u>

These balances reflect contributions for the period from April 1, 2003 to March 31, 2004.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	Balance 4/1/03	Additions	Deletions	Balance 3/31/04
Land	\$ 167,288	\$	\$	\$ 167,288
Buildings and improvements	1,316,156			1,316,156
Machinery and equipment	432,357	31,930		464,287
Vehicles	585,893	132,900	45,000	673,793
Office equipment and furniture	<u>181,965</u>	<u>4,320</u>		<u>186,285</u>
Total general fixed assets	<u><u>\$ 2,683,659</u></u>	<u><u>\$ 169,150</u></u>	<u><u>\$ 45,000</u></u>	<u><u>\$ 2,807,809</u></u>

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 6 - GENERAL LONG-TERM DEBT

The following is a summary of Township special assessment debt for the year ended March 31, 2004:

	<u>Balance 4/1/03</u>	<u>Principal Payments</u>	<u>Balance 3/31/04</u>
Bonds payable to the County of Oakland used to finance construction of gas distribution system interest charged at 6.15% to 7.4%.	<u>\$ 1,201,417</u>	<u>\$ 73,184</u>	<u>\$ 1,128,233</u>

The following is a schedule of principal and interest payments to service the general long-term obligation of the Township:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
3-31-2005	\$ 74,000	\$ 83,352
3-31-2006	79,300	77,590
3-31-2007	85,100	71,663
3-31-2008	91,200	65,306
3-31-2009	97,900	58,659
3-31-2009 and beyond	<u>762,400</u>	<u>176,560</u>
Total payments	1,189,900	533,130
Less: current portion recorded in debt service fund	<u>(61,667)</u>	<u>(69,460)</u>
Total general long-term debt	<u>\$ 1,128,233</u>	<u>\$ 463,670</u>

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The investment policy adopted by the board is in accordance with Act 196 PA 1997. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 300,000	\$ 300,000
Uninsured and uncollateralized	<u>2,914,439</u>	<u>2,966,352</u>
Total deposits	<u>\$ 3,214,439</u>	<u>\$ 3,266,352</u>

Cash accounts held by the Township could not be fully reconciled to the general ledger activity in the general fund. The difference between these two sources totaled \$8,505. These amounts were adjusted to miscellaneous expenditures in the unallocated department of the general fund.

NOTE 8 - MINING ROYALTIES

Effective June 2002 the Township had entered into an agreement with a construction company for the mining and reclamation of lands in the Township. The Township is to receive royalties based upon materials removed from these lands. The Township is to receive these royalties until the contract expires in June 2012. Total royalty revenues for the year ended March 31, 2004 was \$143,252.

TOWNSHIP OF GROVELAND  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 9 - FEDERAL GRANT ACTIVITIES

The Township participates in a Community Development Block Grant (CDBG) consortium passed through Oakland County. The CDBG fiscal period is from May 1 to April 30. The County performs a full compliance audit on the Township's program performance. The most recent audit has been completed for the period dated May 1, 2002 to April 30, 2003.

NOTE 10 - GASB NO. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the statement include the following:

1. For the first time the financial statements will include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all of the Township's activities, including reporting infrastructure assets (roads, bridges, etc).
2. A change in the fund financial statements to focus on the major funds.

The general provisions of GASB No. 34 must be implemented by the Township of Groveland no later than the fiscal year ending March 31, 2005.



SUPPLEMENTARY  
INFORMATION

COMBINING  
STATEMENTS

TOWNSHIP OF GROVELAND  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2004

	<u>Building Department Fund</u>	<u>Fire Protection Fund</u>	<u>Fire Improvement Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
ASSET				
Cash and cash equivalents	\$ 29,185	\$ 670,640	\$ 64,115	\$ 763,940
Taxes receivable		95,403		95,403
Due from other funds	<u>                    </u>	<u>2,837</u>	<u>                    </u>	<u>2,837</u>
Total assets	<u>\$ 29,185</u>	<u>\$ 768,880</u>	<u>\$ 64,115</u>	<u>\$ 862,180</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$ 227	\$ 13,000	\$	\$ 13,227
Due to other funds	<u>8,814</u>	<u>19,772</u>	<u>20,000</u>	<u>48,586</u>
Total liabilities	9,041	32,772	20,000	61,813
FUND BALANCE	<u>20,144</u>	<u>736,108</u>	<u>44,115</u>	<u>800,367</u>
Total liabilities and fund balance	<u>\$ 29,185</u>	<u>\$ 768,880</u>	<u>\$ 64,115</u>	<u>\$ 862,180</u>

TOWNSHIP OF GROVELAND  
ALL TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2004

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Totals</u>
ASSET			
Cash and cash equivalents	<u>\$ 29,451</u>	<u>\$ 35,028</u>	<u>\$ 64,479</u>
LIABILITIES			
Due to other funds	\$ 27,284	\$ 6,282	\$ 33,566
Due to others	2,167	23,796	25,963
Performance bonds	<u>          </u>	<u>4,950</u>	<u>4,950</u>
Total liabilities	<u>\$ 29,451</u>	<u>\$ 35,028</u>	<u>\$ 64,479</u>

TOWNSHIP OF GROVELAND  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2004

	Building Department Fund	Fire Protection Fund	Fire Improvement Fund	Totals
REVENUES				
Property taxes	\$	\$ 731,182	\$	\$ 731,182
Licenses and permits	102,311			102,311
Charges for service		252,308		252,308
Rental income		33,375		33,375
Interest income		5,642	2,338	7,980
Miscellaneous		18,439	12,000	30,439
	<u>102,311</u>	<u>1,040,946</u>	<u>14,338</u>	<u>1,157,595</u>
Total revenues				
EXPENDITURES				
Fire protection		927,210	132,900	1,060,110
Building department	88,993			88,993
	<u>88,993</u>	<u>927,210</u>	<u>132,900</u>	<u>1,149,103</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>13,318</u>	<u>113,736</u>	<u>(118,562)</u>	<u>8,492</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in			128,698	128,698
Operating transfer (out)		(128,698)		(128,698)
		<u>(128,698)</u>	<u>128,698</u>	
Total other financing sources (uses)				
Excess (deficiency) of revenues over expenditures after other financing source (uses)	13,318	(14,962)	10,136	8,492
FUND BALANCE, APRIL 1, 2003	<u>6,826</u>	<u>751,070</u>	<u>33,979</u>	<u>791,875</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 20,144</u>	<u>\$ 736,108</u>	<u>\$ 44,115</u>	<u>\$ 800,367</u>

INDIVIDUAL  
FUNDS

GENERAL  
FUND

TOWNSHIP OF GROVELAND  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,696,990
Accounts receivable - other	46,940
Taxes receivable	27,401
State shared revenues receivable	65,826
Due from other funds	<u>76,918</u>

Total assets		<u>\$ 1,914,075</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable		\$ 9,647
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FUND BALANCE

1,904,428

Total liabilities and fund balance		<u>\$ 1,914,075</u>
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TOWNSHIP OF GROVELAND  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 197,000	\$ 211,926	\$ 14,926
State shared revenues	481,260	440,562	(40,698)
Licenses and permits	87,500	185,633	98,133
Charges for services	55,666	78,672	23,006
Community development		35,536	35,536
Other revenues	<u>25,500</u>	<u>17,055</u>	<u>(8,445)</u>
Total revenues	<u>846,926</u>	<u>969,384</u>	<u>122,458</u>
EXPENDITURES			
Township board	7,400	4,828	2,572
Supervisor	54,670	54,440	230
Elections	3,500	2,154	1,346
Clerk	76,359	75,839	520
Equalization	35,000	32,938	2,062
Board of review	2,000	1,503	497
Treasurer	61,374	58,881	2,493
Cemetery	1,200	945	255
Unallocated	387,815	263,616	124,199
Recreation commission	15,000	15,000	
Library	30,000	29,820	180
Community development		29,406	(29,406)
Planning commission	14,600	12,575	2,025
Zoning board of appeals	6,500	5,500	1,000
Street lighting	3,950	3,425	525
Roads	145,250	87,774	57,476
Parks and recreation	<u>1,800</u>	<u>1,366</u>	<u>434</u>
Total expenditures	<u>846,418</u>	<u>680,010</u>	<u>166,408</u>
Excess (deficiency) of revenues over expenditures	508	289,374	288,866
FUND BALANCE, APRIL 1, 2003	<u>1,615,054</u>	<u>1,615,054</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 1,615,562</u>	<u>\$ 1,904,428</u>	<u>\$ 288,866</u>

TOWNSHIP OF GROVELAND  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PROPERTY TAXES	\$ 197,000	\$ 211,926	\$ 14,926
STATE SHARED REVENUES	<u>481,260</u>	<u>440,562</u>	<u>(40,698)</u>
LICENSES AND PERMITS			
Licenses and registrations		602	
Mobile home fees		2,587	
Cablevision franchise		39,192	
Mining royalties		<u>143,252</u>	
Total licenses and permits	<u>87,500</u>	<u>185,633</u>	<u>98,133</u>
CHARGES FOR SERVICES			
Tax collection fees		16,165	
Planning commission		8,868	
Board of appeals		5,600	
Camp reimbursements		4,689	
Tower lease		<u>43,350</u>	
Total charges for services	<u>55,666</u>	<u>78,672</u>	<u>23,006</u>
COMMUNITY DEVELOPMENT		<u>35,536</u>	<u>35,536</u>
OTHER REVENUES			
Interest		15,869	
Miscellaneous		<u>1,186</u>	
Total other revenues	<u>25,500</u>	<u>17,055</u>	<u>(8,445)</u>
Total revenues	<u>\$ 846,926</u>	<u>\$ 969,384</u>	<u>\$ 122,458</u>

TOWNSHIP OF GROVELAND  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD	\$ 7,400	\$ 4,828	\$ 2,572
 SUPERVISOR			
Salary		50,470	
Health insurance		3,000	
Miscellaneous		970	
Total supervisor	<u>54,670</u>	<u>54,440</u>	<u>230</u>
 ELECTIONS			
Supplies	<u>3,500</u>	<u>2,154</u>	<u>1,346</u>
 CLERK			
Salary		47,174	
Deputy clerk salary		23,885	
Health insurance		3,000	
Professional development		1,464	
Membership dues		316	
Total clerk	<u>76,359</u>	<u>75,839</u>	<u>520</u>
 EQUALIZATION	<u>35,000</u>	<u>32,938</u>	<u>2,062</u>
 BOARD OF REVIEW			
Salaries	<u>2,000</u>	<u>1,503</u>	<u>497</u>
 TREASURER			
Salary		47,174	
Deputy treasurer salary		8,522	
Health insurance		3,000	
Professional development		130	
Membership dues		55	
Total treasurer	<u>61,374</u>	<u>58,881</u>	<u>2,493</u>
 CEMETERY	<u>1,200</u>	<u>945</u>	<u>255</u>

TOWNSHIP OF GROVELAND  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
UNALLOCATED			
Salaries	\$	\$ 46,879	\$
Payroll taxes		19,784	
Employee benefits		30,738	
Supplies		20,210	
Audit fees		5,370	
Planning consultant		23,260	
Engineering services		2,217	
Attorney fees		22,038	
Dues and subscriptions		5,037	
Telephone		6,311	
Cable franchise		1,566	
Legal notices		5,375	
Insurance and bonds		12,000	
Utilities		6,315	
Repairs and maintenance		30,500	
On-line with county		3,818	
Capital outlay - equipment		5,345	
Miscellaneous		9,228	
Youth assistance		<u>7,625</u>	
Total unallocated	<u>387,815</u>	<u>263,616</u>	<u>124,199</u>
RECREATION COMMISSION	<u>15,000</u>	<u>15,000</u>	
LIBRARY	<u>30,000</u>	<u>29,820</u>	<u>180</u>
COMMUNITY DEVELOPMENT		<u>29,406</u>	<u>(29,406)</u>

TOWNSHIP OF GROVELAND  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PLANNING COMMISSION			
Salaries	\$	\$ 12,520	\$
Membership dues	<u>                    </u>	<u>55</u>	<u>                    </u>
Total planning commission	<u>14,600</u>	<u>12,575</u>	<u>2,025</u>
ZONING BOARD OF APPEALS			
Salaries	<u>6,500</u>	<u>5,500</u>	<u>1,000</u>
STREET LIGHTING	<u>3,950</u>	<u>3,425</u>	<u>525</u>
ROADS	<u>145,250</u>	<u>87,774</u>	<u>57,476</u>
PARKS AND RECREATION	<u>1,800</u>	<u>1,366</u>	<u>434</u>
Total expenditures	<u>\$ 846,418</u>	<u>\$ 680,010</u>	<u>\$ 166,408</u>

BUILDING  
DEPARTMENT  
FUND

TOWNSHIP OF GROVELAND  
BUILDING DEPARTMENT FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 29,185

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable  
Due to other funds

\$ 227  
8,814

Total liabilities

\$ 9,041

FUND BALANCE

20,144

Total liabilities and fund balance

\$ 29,185

TOWNSHIP OF GROVELAND  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Administrative fee	\$	\$ 22,375	\$
Building permits		42,266	
Electrical permits		12,510	
Plumbing permits		9,825	
Heating permits		15,335	
Total revenues	<u>92,500</u>	<u>102,311</u>	<u>9,811</u>
EXPENDITURES			
Salary - administrator		27,756	
Inspector - building		20,891	
Inspector - electrical		6,370	
Inspector - plumbing		6,090	
Inspector - heating		6,510	
Payroll taxes		5,195	
Employee benefits		5,084	
Supplies		1,578	
Professional fees		1,455	
Telephone		1,027	
Repairs and maintenance		2,018	
Education and training		1,019	
Insurance		4,000	
Total expenditures	<u>89,500</u>	<u>88,993</u>	<u>507</u>
Excess (deficiency) of revenues over expenditures	3,000	13,318	10,318
FUND BALANCE, APRIL 1, 2003	<u>6,826</u>	<u>6,826</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 9,826</u>	<u>\$ 20,144</u>	<u>\$ 10,318</u>



FIRE  
PROTECTION  
FUND

GROVELAND TOWNSHIP  
FIRE PROTECTION FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 670,640
Taxes receivable	95,403
Due from other funds	<u>2,837</u>

Total current assets

\$ 768,880

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 13,000
Due to other fund	<u>19,772</u>

Total liabilities

\$ 32,772

FUND BALANCE

736,108

Total liabilities and fund balance

\$ 768,880

GROVELAND TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 731,182	\$
Ambulance billing		190,523	
Fire runs		45,160	
Rental income		33,375	
Camp reimbursements		16,625	
Interest income		5,642	
Contributions		18,000	
Miscellaneous		<u>439</u>	
Total revenues	915,700	1,040,946	125,246
EXPENDITURES	<u>915,148</u>	<u>927,210</u>	<u>(12,062)</u>
Excess (deficiency) of revenues over expenditures before other financing (use)	552	113,736	113,184
OTHER FINANCING (USE)			
Operating transfer (out)		<u>(128,698)</u>	<u>(128,698)</u>
Excess (deficiency) of revenues over expenditures after other financing (use)	552	(14,962)	(15,514)
FUND BALANCE, APRIL 1, 2003	<u>751,070</u>	<u>751,070</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 751,622</u>	<u>\$ 736,108</u>	<u>\$ (15,514)</u>

GROVELAND TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXPENDITURES			
Wages - chief	\$ 54,972	\$ 54,972	\$
Wages - assistant chief	49,376	49,376	
Wages - lieutenants	91,146	91,146	
Wages - secretary	30,334	29,996	338
Wages - firefighters	272,665	299,586	(26,921)
Payroll taxes	41,121	40,571	550
Ambulance services	22,539	21,102	1,437
Employee benefits	71,968	71,968	
Office supplies	10,236	10,481	(245)
Operating supplies	60,000	59,948	52
Legal and accounting	2,434	2,507	(73)
Contractual services	10,736	10,944	(208)
Dues and subscriptions	2,355	2,355	
Telephone	10,000	8,152	1,848
Fuel costs	10,975	10,258	717
Insurance and bonds	39,734	39,235	499
Repairs and maintenance	62,492	56,553	5,939
Education and training	11,500	10,411	1,089
Utilities	26,565	26,744	(179)
Capital outlay	<u>34,000</u>	<u>30,905</u>	<u>3,095</u>
Total expenditures	<u>\$ 915,148</u>	<u>\$ 927,210</u>	<u>\$ (12,062)</u>

FIRE IMPROVEMENT  
FUND

GROVELAND TOWNSHIP  
FIRE IMPROVEMENT FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 64,115

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 20,000

FUND BALANCE

44,115

Total liabilities and fund balance

\$ 64,115

GROVELAND TOWNSHIP  
FIRE IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Sale of assets	\$	\$ 12,000	\$
Interest income		<u>2,338</u>	
Total revenues		<u>14,338</u>	<u>14,338</u>
EXPENDITURES			
Capital outlay - vehicle		<u>132,900</u>	<u>(132,900)</u>
Excess (deficiency) of revenues over expenditures before other financing source		(118,562)	(118,562)
OTHER FINANCING SOURCE			
Operating transfer in	<u>152,902</u>	<u>128,698</u>	<u>(24,204)</u>
Excess (deficiency) of revenues over expenditures after other financing source	152,902	10,136	(142,766)
FUND BALANCE, APRIL 1, 2003	<u>33,979</u>	<u>33,979</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 186,881</u>	<u>\$ 44,115</u>	<u>\$ (142,766)</u>

GAS LINE  
DEBT  
SERVICE  
FUND



TOWNSHIP OF GROVELAND  
GAS LINE DEBT SERVICE FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 689,030
Taxes receivable	7,911
Special assessment receivable - current	47,304
Due from other fund	<u>2,397</u>

Total current assets	\$ 746,642
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DEFERRED SPECIAL ASSESSMENT RECEIVABLE	<u>644,667</u>
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Total assets	<u>\$ 1,391,309</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Matured bonds payable	\$ 131,127
Deferred revenues	<u>691,971</u>

Total liabilities	\$ 823,098
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RESERVED FUND BALANCE	<u>568,211</u>
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Total liabilities and fund balance	<u>\$ 1,391,309</u>
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TOWNSHIP OF GROVELAND  
GAS LINE DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>Unfavorable</u>
REVENUES			
Special assessments - current	\$	\$ 181,686	\$
Interest income		5,219	
Connection fees		<u>105,500</u>	
Total revenues	<u>223,153</u>	<u>292,405</u>	<u>69,252</u>
EXPENDITURES			
Principal		73,184	
Interest		<u>83,728</u>	
Total expenditures	<u>155,000</u>	<u>156,912</u>	<u>(1,912)</u>
Excess (deficiency) of revenues over expenditures	68,153	135,493	67,340
FUND BALANCE, APRIL 1, 2003	<u>432,718</u>	<u>432,718</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 500,871</u>	<u>\$ 568,211</u>	<u>\$ 67,340</u>

CURRENT  
TAX  
COLLECTION  
FUND

TOWNSHIP OF GROVELAND  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 29,451

LIABILITIES

LIABILITIES

Due to other funds

\$ 27,284

Due to other units

2,167

Total liabilities

\$ 29,451

TRUST  
AND  
AGENCY  
FUND

TOWNSHIP OF GROVELAND  
TRUST AND AGENCY FUND  
BALANCE SHEET  
MARCH 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 35,028

LIABILITIES

LIABILITIES

Due to other funds

\$ 6,282

Performance bonds

4,950

Site plan deposits

22,855

Due to others

941

Total liabilities

\$ 35,028

TOWNSHIP OF GROVELAND

COMMENTS  
AND  
RECOMMENDATIONS

FOR THE YEAR ENDED MARCH 31, 2004

June 25, 2004

Board of Trustees  
Township of Groveland  
4695 Grange Hall Road  
Holly, Michigan 48442

Honorable Board of Trustees:

In planning and performing our audit of the general purpose financial statements of the Township of Groveland for the year ended March 31, 2004, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are as follows:

1. COMMENT

We found instances in which the Township made purchases which included sales tax.

RECOMMENDATION

The Township should evaluate all invoices to determine if sales tax is being charged.

2. COMMENT

Several funds contain interfund receivable and payables from the current and prior fiscal periods.

RECOMMENDATION

These amounts should be paid as soon as possible.



3. COMMENT

The Township is receiving funds at the fire hall by unbonded individuals.

RECOMMENDATION

Whenever possible, all funds should be receipted by the treasurer's department to ensure segregation of duties.

4. COMMENT

A disbursement was made to a vendor without an original invoice.

RECOMMENDATION

All payments made by the Township should be substantiated with an original invoice held by the clerk's department.

5. COMMENT

Several bank accounts were not reconciled to the general ledger.

RECOMMENDATION

All bank accounts should be reconciled to the general ledger on a monthly basis.

6. COMMENT

Several correspondences with the Internal Revenue Service have been made related to payroll tax issues.

RECOMMENDATION

The Township may wish to evaluate the cost/benefit of outsourcing payroll to a payroll service.

This letter does not affect our report dated June 25, 2004 on the general purpose financial statements of the Township of Groveland.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of the Township of Groveland and is not intended to be and should not be used by anyone other than the specified parties.